

## COUNTY OF LOS ANGELES

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## DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601  
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May 22, 2012

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

### **HEARING ON PUBLISHED CHARGES FOR FISCAL YEAR 2012-13 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

#### **SUBJECT**

Request approval to establish Published Charges for Fiscal Year 2012-13 to comply with State and federal reimbursement requirements.

#### **IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING,**

Approve the Department of Mental Health's (DMH) proposed Published Charges (Attachment) for Fiscal Year (FY) 2012-13, effective July 1, 2012, to comply with Federal Short-Doyle/Medi-Cal (SD/MC) Lower of Cost or Charges (LCC) reimbursement and routine cost requirements.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Board action is necessary to ensure that Published Charges are established in compliance with Medi-Cal requirements. The recovery of federal revenues in compliance with State and federal regulations necessitates that Published Charges be established at least annually. Federal requirements stipulate that Published Charges are to be determined at the County level. The recommended Published Charges comply with SD/MC requirements.

#### **Implementation of Strategic Plan Goals**

The recommended action is consistent with the County's Strategic Plan Goal 1, Operational Effectiveness, and Goal 4, Health and Mental Health.

### **FISCAL IMPACT/FINANCING**

Approval of the requested action will enable DMH to comply with SD/MC regulations and avoid Federal LCC audit disallowances. DMH has not included any charges, which are set by either State or federal agencies, for which it has no jurisdictional rate-setting authority. DMH will bill those charges as directed by those authorities.

There is no net County cost impact associated with the recommended action.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

DMH develops the Published Charges for a given fiscal year based on the most recent Annual Cost Report submitted by DMH to the State, adjusted by the Federal Home Health Agency Market Basket Index. Thus, under normal circumstances, the Published Charges for FY 2012-13 would be developed based on actual cost and statistical data reported in the Annual Cost Report for FY 2010-11. However, due to the State's delay in providing DMH the Annual Cost Report instructions and template, the FY 2010-11 Annual Cost Report has not been completed. Therefore, DMH has developed Published Charges for FY 2012-13 based on the FY 2009-10 Annual Cost Report, adjusted by the Federal Home Health Agency Market Basket Index. This allows DMH use of the most recent Cost Report submitted to the State to comply with the requirement to establish annual Published Charges.

The State anticipates releasing the Annual Cost Report instructions and template within the next few months. When the FY 2010-11 Annual Cost Report is completed, DMH will review the current Published Charges and, if necessary, recommend to your Board revised Published Charges.

The Published Charges reflect two sets of rates. In FY 2003-04, the Board approved revised Published Charges permitting DMH to reflect a set of rates for Medi-Cal and a set of rates for non-Medi-Cal responsible financial parties. The rates for Medi-Cal plans do not include administrative overhead costs, while the non-Medi-Cal rates do include administrative overhead costs for all services that are billed to non-Medi-Cal responsible financial parties. Medi-Cal administrative overhead costs are reimbursed through a separate and specific State-mandated reimbursement method, and the methodology to calculate the Published Charges to bill Medi-Cal plans remains the same as originally approved by your Board.

The public hearing notice requirements of Government Code Section 6062a have been satisfied and the public hearing requirements of Government Code Section 66018 will be satisfied by this action.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended Published Charges for FY 2012-13 will become effective July 1, 2012. Failure to establish annual Published Charges will result in non-compliance with Federal SD/MC LCC reimbursement and routine cost requirements.

There is no anticipated impact on current services.

The Honorable Board of Supervisors

5/22/2012

Page 3

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mg Southard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

MARVIN J. SOUTHARD, D.S.W.

Director of Mental Health

MJS:MM:RK:SK:jk

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller  
Chairperson, Mental Health Commission

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH  
FISCAL YEAR 2012-13 PUBLISHED CHARGES  
EFFECTIVE JULY 01, 2012

SERVICE DESCRIPTION	MODE	SERVICE FUNCTION CODE	SERVICE UNIT	NON-MEDI-CAL FY 2012-13 RATES	MEDI-CAL FY 2012-13 RATES
Jail Inpatient	5	50-59	Client Day	404.09	N/A
Day Treatment Intensive:					
Half Day (3-4 hours)	10	81-84	Half Day	218.77	195.04
Full Day (more than 4 hours)	10	85-89	Full Day	291.78	260.13
Day Rehabilitation:					
Half Day (3-4 hours)	10	91-94	Half Day	112.96	100.71
Full Day (more than 4 hours)	10	95-99	Full Day	176.36	157.23
Targeted Case Management	15	01-09	Minute	2.76	2.46
Mental Health Services	15	10-59	Minute	3.52	3.14
Medication Support Services	15	60-69	Minute	6.97	6.21
Crisis Intervention	15	70-79	Minute	5.61	5.00
Mental Health Promotion	45	10-19	Staff Hour	139.84	N/A
Community Client Services	45	20-29	Staff Hour	139.84	N/A
Conservatorship:					
Investigation	60	20-29	Staff Hour	132.84	N/A
Administration	60	30-39	Staff Hour	140.26	N/A
Life Support /Board & Care	60	40-49	Day	45.98	N/A
Case Management Support	60	60-69	Staff Hour	145.00	N/A